(c) if not, the reasons therefor?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) No Sir. While the former Prime Minister had announced relief to the State of Punjab from the burden of repayment of Special Term loans granted in the context of militancy, no specific amount had been mentioned.

(b) and (c) North-Eastern States have not been given any special term loans in the context of the militancy. These States are special category States and receive their Central assistance on more favourable terms than non-special category States i.e. as 90% grant and 10% loan. Thus their loan repayment liabilities are not on the same footing as the liabilities of repayment of special term loans granted to Punjab.

Loan Waiver Scheme

1422. SHRI W. ANGOU SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the loan waiver scheme has dampened the loan recovery climate in the country;

(b) the amount of loan overdues separately to each State Co-operative Bank of North-Eastern region with irrecoverable dues;

(c) whether Government can make the full and final settlement of the claims of the Co-operative banks of North-Eastern region under Agricultural and Rural Debt Relief, 1990 Scheme;

(d) the measures taken by Government to revive crop loan in the North-Eastern States specially for Manipur; nad

(e) whether there is any relaxation scheme of loan policy for the North-Eastern region?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) Across the board waiver of loans, in general, has an adverse impact on the recovery climate besides adversely affecting the financial health of credit institutions.

(b) As reported by National Bank for Agriculture and Rural Development (NABARD), the position of loan overdues of State Co-operative Banks (SCBs) in North-Eastern Region and the corresponding irrecoverable dues are given below:

(Rs. crores)

Name of State Co-operative Bank (SCB)	Overdues		
	As on	Amount	Out of which due considered to be irrecoverable
Arunachal Pradesh SCB	31.3.96	4.59	0.61
Meghalaya SCB	31.3.97	12.55	3.54
Mizoram SCB	31.3.97	19.85	3.95
Nagaland SCB	31.3.95	8.54	4.88
Tripura SCB	31.3.97	21.76	2.03
Manipur SCB	31.3.96	14.10	7.18
Assam SCB	31.3.97	66.30	11.07

(c) National Bank for Agriculture and Rural Development (NABARD) had reported that full and final settlements of the claims lodged by Co-operative banks in the North-Eastern Region was done in terms of the procedure laid down under the Agriculture and Rural Debt Relief (ARDR) Scheme 1990.

(d) NABARD has reported that in view of the unstatisfactory performance of the Gram Panchayat Service Societies in Assam and the reclucfance of commercial banks in the disburssment of crop loans, are innovative approach to route crop loans through the intervention of Field Management Committees (FMCs) was introduced by the Government of Assam, NABARD and the financing banks on a trial basis in 6 FMCs in 3 districts of the State. NABARD has also been sanctioning limits to Meghalaya, Nagaland and Tripura SCBs since 1992-93 in order to disburse crop loan by the SCBs. Manipur SCB has not been sanctioned refinance limit by NABARD in view of non-compliance with Section 11(1) of Banking Regulation Act.

(e) Some of the relaxations provided to the North-Eastern Region are as under:—

(i) NABARD has extended all refinance facilities to Commercial Banks, Commercial Banks can also draw refinance under Automatic Refinance Schemes (ARS) without submission of projects upto Rs.10.00 lakhs of refinance per borrower;

(ii) NABARD has been providing refinance to all financing agencies (including commercial banks) at 90% of their ground level credit disbursement as against 50—70% applicable to the rest of the country;

(iii) The eligibility norms relating to minimum recovery level for drawing unrestricted refinance from NABARD under schemative lending has been fixed at 50% for North-Eastern Region as against 60% stipulated for other parts of the country;

(iv) For thrust areas like minor irrigation plantation, horticulture and fisheries, Banking plans have been prepare for various North-Eastern States for guidance and speedy sanction disbursement of bank credit;

(v) Relaxations are made while sanctioning credit limits for seasonal agricultural operations by waiving the stipulation regarding overdues and minimum involvement criteria;

(vi) NABARD charges concessional interest rate on the refinance provided to SCBs and RRBs for seasonal agricultural operations (SAO) at 4% in North-Eastern Region as against 4—6.5% interest charged in other parts of the country;

(vii) An innovative scheme has been specifically formulated for the North-Eastern Region under which refinance is provided to banks for financing purchases of trained elephants by forest contractors;

(viii) Refinance facilities have been provided to banks for financing Small Road Transport Operators to facilitate transportation of both passengers and goods considering the hilly terrain and inadequate transport facilities;

(ix) NABARD has also introduced several refinance schemes under the Non-Farm Sector (NFS) and the refinance relesed for the NFS activities has increased from Rs.171 lakhs in 1990-91 to Rs.9616 lakhs in 1997-98.